



From the Desk of Mayor Andy Skibitsky

September 24, 2014

Dear Neighbor:

Enclosed is your certified property tax statement. Your 4th quarter taxes are due on November 1, 2014, with a ten calendar day grace period. If you have any questions regarding when your taxes are due, please contact the Tax Collector by phone (908-789-4051) or via e-mail to taxcollector@westfieldnj.gov.

As a taxpayer myself, I understand how important it is to know where your tax dollar is distributed. While the Westfield Town government is charged with the responsibility of collecting property taxes, the Town does not keep, nor does it have control over, everything it collects. In fact, it only keeps 16.6% of the taxes it collects to pay for municipal operations. Put another way, the Town keeps less than 17¢ of each dollar it collects to fund the numerous municipal services and statutory functions provided to its residents.



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| ✓ police protection | ✓ electricity for street lighting | Statutory functions such as |
| ✓ fire fighting and prevention services | ✓ snow plowing | ✓ tax collection |
| ✓ pressurized fire hydrants | ✓ recreational programs and facilities | ✓ tax assessment |
| ✓ senior transportation | ✓ curbside recycling | ✓ engineering |
| ✓ school crossing guards | ✓ RVSA (sewage & wastewater) | ✓ building inspection |
| ✓ public health services | ✓ stormwater management | ✓ planning & zoning |
| ✓ maintenance of 380 roads | ✓ conservation center | ✓ voting |
| ✓ leaf collection and disposal | ✓ town tree maintenance, and | ✓ vital statistics |
| ✓ 10 municipal parks | | ✓ municipal court |

If the Town keeps less than 17¢ on the dollar, where does the remaining 83¢ go?



1.5% of the property taxes collected are dedicated to the Westfield Memorial Library. Effective March 21, 2011, the State of New Jersey enacted P.L. 2011, c.38 (S-2068), which transferred the mandatory public library appropriation from being reported as part of the municipal budget to a new and separate line on the certified property tax statement. By state law, the financial management of the Westfield Memorial Library is under the control of the Library Board of Trustees.



23.9% of the property taxes collected are sent to the County of Union. This part of your tax bill is controlled by your elected representatives on the Union County Board of Chosen Freeholders (www.ucnj.org/government/freeholders). The County of Union budget is posted on its website at:

<http://ucnj.org/wp-content/uploads/2010/08/County-Budget-2014.pdf>



58% of the property taxes collected are sent to the Westfield School District. This part of your tax bill is managed by your elected representatives on the Westfield Board of Education. The District's budget is posted on its website at:

www.westfieldnj12.org

As the dollar bill graphic on the front of this letter depicts, only 16.6% of your total property tax bill stays with the Town government to fund municipal operations - the remaining 83.4% is distributed to and under the control of other governmental entities. The 2014 Town of Westfield municipal operating budget in its entirety (and in the format required by the State of New Jersey) is available for viewing on the Town's website, www.westfieldnj.gov, as is a PowerPoint budget summary presentation which aims to simplify the myriad of government accounting rules and the complexities of the municipal budget process into a more understandable and readable format. In addition, all of my past letters highlighting the many efforts taken over recent years to bring spending down to sustainable levels and to compensate for declining revenues while at the same time preserving municipal services and fulfilling the Town's statutory functions are posted for your review.

QUICK FACTS...

- ✓ 16.6% of your property taxes are retained by the Town to fund municipal services and operations.
- ✓ The remaining 83.4% of your property taxes are turned over to and under the control of other government entities.
- ✓ For 2014, municipal operating budget appropriations rose a mere one half of one percent.
- ✓ On the average assessed home, the municipal portion of the property tax bill increased approximately \$5.25 per month.
- ✓ The 2014 municipal tax levy is under "the cap" in accordance with State law.

When discussing the municipal operating budget, it is important to keep in mind that the budget is not just about raw numbers – it's about what it takes to fund the municipal services and governmental functions that preserve the character of the community and advance the quality of life for as many residents as possible. In doing so, we constantly strive to find the best possible balance between the mandated, the needed, and the desired with the finite resources under the Town's control. For 2014, municipal budget appropriations (anticipated expenditures) rose a mere one half of one percent over last year's budget.

Perhaps the most frequently asked question I receive regarding the municipal portion of property taxes is about how the "cap" works. In its simplest terms, the "cap" law stipulates that the tax levy cannot be raised more than 2% over the prior year. The law, however, recognizes that there are some costs that may be preset or beyond local control, such as deferred charges for emergencies, and therefore does provide for limited exemptions. Further, it is important to keep in mind that the law is applied in the aggregate, not on an individual property taxpayer basis or on a per budget line basis.

For the 2014 budget, in accordance with the State law, the Town was approved for a maximum aggregate municipal tax levy of \$26,469,149. (The tax levy is simply the difference between anticipated non-property tax revenues and anticipated expenditures. The tax levy equation looks like this: non-property tax revenues - budgeted expenditures = tax levy.) The Town's budget included an actual tax levy of \$26,185,518, which is \$283,630 less than the amount permitted by law. The 2014 Town of Westfield operating budget, then, is under the "cap" and in full compliance with the State law. In addition, on the average assessed home, the municipal portion of the property tax bill amounted to a modest increase of approximately \$5.25 per month.

I realize that it is not possible to address all the complexities of municipal budget matters on a single page, so I remain available to personally meet with you during my Saturday morning office hours. If you would like to schedule an appointment, please call my office (908-789-4041) and we will be happy to help you.

I very much appreciate your time in reading this and I look forward to seeing you around town.

Sincerely,

